

The Gazette of India

EXTRAORDINARY

PART II—Section 3

PUBLISHED BY AUTHORITY

6 SEP 1957

No. 419—C]NEW DELHI, SATURDAY, AUGUST 31, 1957/BHADRA 9, 1879

MINISTRY OF COMMERCE AND INDUSTRY

New Delhi, the 31st August, 1957

NOTIFICATION

S.R.O. 2782-C.—The following draft of certain further amendments in the By-laws of the Bombay Oilseeds and Oils Exchange Ltd., Bombay which the Central Government proposes to make in exercise of the powers conferred by sub-section (1) of section 12 of the Forward Contracts (Regulation) Act, 1952 (74 of 1952) is published as required by sub-section (4) of the said section for information of all persons likely to be affected thereby; and notice is hereby given that the said draft will be taken for consideration on or after 20th September 1957.

Any objection or suggestion which may be received from any person through the Secretary, Forward Markets Commission, Bombay, with respect to the said draft before the date so specified will be considered by the Central Government.

Draft Amendment

In the said By-laws:—

I. For Bye-law 241, the following shall be substituted, namely:—

“241(1). The Board may decide with the previous concurrence of the Forward Markets Commission to provide for periodical settlement in transferable specific delivery contracts through the Clearing House on such days as may be fixed by the Board from time to time.

(2) The powers conferred on the Board by clause (1) may also be exercised by the Forward Markets Commission in any case where the Forward Markets Commission is of opinion that an emergency has arisen or exists, and the Board has failed to exercise such powers”.

II. After Bye-law 243, the following shall be inserted, namely:—

“243A. If on any day the rates of groundnut or castorseed rise or fall by more than Rs. 10 per candy over or below the last settlement rate, then an emergency shall be deemed to exist and an automatic settlement clearing shall take place on the second working day thereafter in respect of hedge and delivery contracts in groundnut, castorseed, linseed and cottonseed on the basis of the closing rate on the date on which emergency shall be deemed to have existed. The relevant bye-laws relating to normal settlement clearing shall apply to such settlement clearing:

Provided that the provisions contained in this by-law shall not apply when such rise or fall in rates of groundnut or castorseed has taken place at the closing of market on the day immediately preceding the clearing day”.

III. In by-law 283C after the words "as the Board consider necessary or desirable" the following shall be inserted, namely:—

"The Forward Markets Commission may, in any case where in its opinion an emergency exists, and the Board has not taken any action contemplated by this clause, direct the closure of the market for a period not exceeding five consecutive days, and may, if the Commission is of opinion that it is necessary so to do, direct the extension of closure for such further period not exceeding five days at a time as the Commission may think fit, so however, that the total period of closure shall not exceed fifteen days".

IV. In By-laws 259A and 296A for the words "hedge contracts" the words "hedge contracts and/or transferable specific delivery contracts in the commodities in which trading in hedge contracts is permitted under these by-laws" shall be substituted.

V. In By-law 296C—

(a) for the words "hedge contracts" wherever they occur the words "hedge contracts and/or transferable specific delivery contracts in the commodities in which trading in hedge contracts is permitted under these by-laws" shall be substituted;

(b) after clause (b), the following shall be inserted, namely:—

"(bb) The Board may by resolution passed by itself and concurred in by the Forward Markets Commission fix such limits upon daily trading by members, or upon the net open position of members, concerning hedge and/or transferable specific delivery contracts as the Board may consider necessary or desirable in respect of such daily trading or net open position";

(c) In clause (c) for the brackets letters and word "(a) and (b)" the brackets letters and word "(a), (b) and (bb)" shall be substituted.

VI. In by-law 297—

(a) In clause (2)

(i) after the words "passed by a simple majority" the words "and concurred in by the Forward Markets Commission" shall be substituted;

(ii) for the words "like majority" the words "resolution passed by a like majority and concurred in by the Forward Markets Commission" shall be inserted;

(b) For clause (4), the following clause shall be substituted, namely:—

"(4) If the resolution under sub-clause (1)(a) or (b) hereof is passed during a non-delivery period the Board may, subject to the provisions contained in sub-clause (3), at least seven days after the date on which the said resolution comes into force, by a resolution passed by a simple majority and concurred in by the Forward Markets Commission, declare the resolution under sub-rule (1)(a) or (b) to be at an end.";

After clause (4), the following clause shall be inserted, namely:—

"(5) The powers conferred on the Board by sub-clauses (a) and (b) of clause (1) and clause (2) may also be exercised by the Forward Markets Commission in any case where the Forward Markets Commission is of opinion that an emergency has arisen or exists, and the Board has failed to exercise such powers."

VII. In By-law 298—

(a) the words and figures "subject to by-law 302, by $\frac{2}{3}$ majority with 12 Directors present" shall be omitted;

(b) after clause (6), the following clause shall be inserted, namely:—

"(7) No resolution passed by the Board under this by-law shall become effective unless concurred in by the Forward Markets Commission".

VIII. After by-law 298, the following by-laws shall be inserted, namely:—

"298A. If the Forward Markets Commission is of opinion that continuation of trading in hedge contracts for any delivery or deliveries and/or transferable specific delivery contracts is detrimental to the interest of the trade or the public interest, or to the larger interests of the economy of India and so notifies the President, then notwithstanding anything to the contrary contained in these by-laws or in any hedge and/or transferable specific delivery contract made subject to these by-laws, every hedge and/or transferable specific delivery contract relating to the delivery or deliveries notified under this by-law and entered into between a member and a member or between a member and a non-member then outstanding, shall be deemed closed out at such rate, appropriate to such contract and with effect from such date, as shall be fixed by the Forward Markets Commission and the provisions of clauses (3), (4), (5) and (6) of by-law 298 shall apply as if they formed part of this by-law."

298B. Where the Forward Markets Commission considers it expedient so to do, it may call for periodical information relating to hedge and/or delivery contracts entered into by members in such form and in such manner as may be specified.

(2) In particular, and without prejudice to the generality of the foregoing power, such information may relate to—

- (i) contracts entered into by a member with another member on his own account,
- (ii) contracts entered into by a member on behalf of his each client,
- (iii) business of non-members appropriated by the member to himself".

IX. In By-law 299, after the words "in favour of the resolution and" the following words shall be inserted, namely:—

"if such resolution is concurred in by the Forward Markets Commission."

X. In by-law 301 to clause (a), the following proviso shall be added, namely:—

"Provided that no such resolution shall become effective unless concurred in by the Forward Markets Commission."

[No. 45-Exp(17)/56-TMP.]

K. V. VENKATACHALAM, Jt. Secy.

